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C O N F I D E N T I A L SECTION 01 OF 03 TEL AVIV 001600

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TAGS: [PREL](#) [PGOV](#) [KPAL](#) [KWBG](#) [IS](#) [ISRAEL RELATIONS](#) [ISRAELI PALESTINIAN AFFAIRS](#)

SUBJECT: BEGINNING THE DISCUSSION ON ISRAEL'S CONVERGENCE
PLAN

REF: A) TEL AVIV 1470 B) TEL AVIV 1163 C) TEL AVIV
1065 D) TEL AVIV 0940

Classified By: Ambassador Richard H. Jones; Reasons: 1.4 (B and D).

1. (C) Summary: Acting Prime Minister Ehud Olmert's intention to begin implementation of what he calls the "convergence plan" within the next two years (reftels) confronts the USG with decisions on whether and how to engage with Israel on the issue. The complexities, potential benefits, and pitfalls of the plan complicate our choices. Olmert's goal is to establish -- with U.S. concurrence -- the "final borders of Israel" by moving up to 80,000 settlers from isolated areas to the larger settlement blocs west of the separation barrier (but still east of the Green Line in the West Bank) and to new development areas in the Negev and Galilee. Unlike Gaza disengagement, his plan would apparently retain freedom of movement for Israeli security forces in the vacated areas. Olmert and his advisers claim that their plan is in full accordance with the President's letter to former PM Ariel Sharon from April 14, 2004. Control of the Palestinian Authority by Hamas and Israel's reluctance to deal with President Mahmud Abbas make any attempt at avoiding unilateral moves and re-starting negotiations more difficult. This is the first in a series of cables addressing issues surrounding the convergence policy. End summary.

Expect GOI Push for U.S. Support and Assistance

2. (C) In the next few months, Israeli officials will be pressing at the highest levels for public U.S. support for convergence. These discussions will necessitate a decision on whether the U.S. will engage on the details of the convergence plan and, ultimately, on whether Olmert's moves should receive U.S. support. From post's perspective, the key question is whether convergence will further U.S. goals in the region, especially a secure Israel with defensible borders, living side by side in peace and security with a viable and contiguous Palestinian state. Our decision should also take into account the U.S. interest in weakening extremist groups such as Hamas, in taking all possible steps to improve the lives of both Israelis and Palestinians, and in maintaining strong support from both Israel and Arab states in the Global War on Terrorism.

3. (C) In the upcoming talks with GOI officials, the U.S. has a good deal of leverage. First, Olmert needs USG support as domestic political cover to implement the convergence plan. Second, the GOI is likely to request substantial USG financial assistance for moving the settlers, as it did -- albeit indirectly -- with the Negev and Galilee initiative following Gaza disengagement. Such support, if deemed to be in the U.S. interest, could be structured to steer settlers away from other West Bank locations (where Olmert intends to resettle most of them) and into communities within Green Line Israel. Third, Olmert will seek U.S. assistance in obtaining recognition for the new "border" from the Europeans, the Quartet, and perhaps even the United Nations. FM Livni has already begun this effort in her April 20 meeting with EU ambassadors in Israel. The need for U.S. assistance in selling the plan could provide significant leverage to push the fence closer to the Green Line, improving the connectivity of Palestinian lands and hence the viability of a future Palestinian state. However, it is questionable whether the Palestinians and other Arabs would thank the USG for any outcome short of the status quo ante 1967.

Main Goal of Convergence for Olmert is to Set Borders

4. (C) Olmert recently told Congressional visitors that he intends to prepare the convergence plan, coordinate it with the USG, and begin implementation within two years. He proposes to move approximately 80,000 settlers from isolated areas in the West Bank to the larger settlement blocs west of the separation barrier (but still east of the 1967 borders) and possibly to new development areas in the Negev and Galilee. As he said on election night, in so doing his goal is "the establishment of the final borders of Israel as a Jewish state." In an important difference from Gaza disengagement, the GOI apparently plans to retain full

operational freedom for its security forces in the vacated areas and to remain in control of the Jordan Valley.

15. (C) Olmert's advisers see the convergence plan as a step that will flesh out the remarks on major population centers contained in the President's letter of April 14, 2004. In meetings with USG officials, the Israelis routinely claim that the President's letter represents U.S. acceptance of the annexation of major settlement blocs. They conveniently overlook other sections of the letter, including stipulations that secure and recognized borders "should emerge from negotiations between the parties" and be "mutually agreed." In fact, the convergence plan, as explained thus far by Olmert, would effectively negate the "mutually agreed" clause by setting the separation barrier as Israel's eastern border. While Olmert has left open the possibility for minor shifts in the barrier, he told the press that such adjustments would be the result of an inter-Israeli dialogue, not talks with the Palestinians. He has also suggested that he will consult with and seek support from the United States.

Complexities, Benefits and Pitfalls

16. (C) The complexities of the convergence plan complicate the decision on whether the U.S. should support Olmert's move. While the evacuation of settlers removes a partial obstacle to a two-state solution, strengthening other settlement blocs in the West Bank makes it even less likely that Israel will ever relinquish any of these areas to a future Palestinian state. The undefined status of the evacuated parts of the West Bank, free of Israeli civilians but still subject to regular patrols and raids by Israeli forces, is also problematic. Such a scenario would erode Palestinian responsibility for security and leave Israel as an occupying power in the eyes of Palestinians and others in the region and around the world. The most contentious issues of the Arab-Israeli conflict, such as Jerusalem, are not directly addressed by the convergence plan at all except insofar as it strengthens the settlement blocs around the city and defines its municipal boundaries with the separation barrier.

17. (C) Olmert's plan could result in some tangible benefits for the region. First, any dismantling of West Bank settlements would represent the crossing of an important psychological hurdle in relinquishing the dream of "greater Israel" (i.e., setting Israel's eastern border at the Jordan River) that helped propel the settlement movement forward; it also could prepare the ground for future negotiations. Second, a withdrawal should allow the Israeli Defense Force to ease considerably the closure regime and thereby reduce constraints on the Palestinian economy and quality of life. Although some restrictions are likely to remain in place, we could make a substantial easing part of the price for U.S. acquiescence or support, if we choose to engage on details. Third, a withdrawal may increase acceptance of the two-state solution among the vocal minority of Israeli society currently opposed to such a step. Fourth, the GOI believes that the initiative will result in defensible borders and reduce the number of suicide bombings. Disengagement is a model here; despite daily rocket attacks, there have been fewer Israeli fatalities since disengagement removed settlers and soldiers from direct proximity with Gazans. Finally, the convergence plan offers the advantage of action when there are few other alternatives. This appears to be a major motivation for Olmert. He told Senator Lieberman that inaction would result in a third Intifada and additional bloodshed.

18. (C) At the same time, Olmert's plan has some serious pitfalls. Israeli moves resulting in a less-than-viable Palestinian state or in prolonging the military occupation of the West Bank are incongruous with a two-state solution. Convergence could potentially strengthen Hamas, since the group will take credit for any Israeli withdrawal (as it did in Gaza) without giving anything in return. Some Palestinians could interpret Israel's actions as de facto recognition that Hamas will remain in control of the PA indefinitely. Completion of the security barrier and the effective cantonization of large parts of the West Bank will complicate efforts at economic development in the remaining Palestinian areas and could further increase tensions and/or violence. Engagement on the part of the USG is likely to be interpreted as complicity in what some in the international community will see as the GOI's illegal annexation of occupied territory. Such involvement may adversely affect support for other U.S. policies -- including the war on terrorism -- among the Arab states, Europeans, or in the developing world. Finally, U.S. support for convergence is almost certain to deepen existing rifts within the Quartet, calling into question the continued viability of the group and its Roadmap.

Are Negotiations an Option?

9. (C) Olmert has said he is willing to give negotiations with the Palestinians a chance before moving ahead with convergence. Nevertheless, his (and our) demand that Hamas accept the Quartet's three principles, combined with the GOI's unwillingness to hold any political discussions with Abbas, currently preclude such an outcome. If Abbas were to take the necessary steps to move back to the Roadmap and give up what Israelis believe is his sole intent to move directly to final status issues, there might be a possibility of bilateral talks. While the Labor Party has hinted during coalition negotiations that it wants a serious effort on the negotiating front, Olmert recently told Senator Lieberman that he assessed the chances of the Palestinians taking steps necessary to restart talks as "nonexistent." It seems equally, if not more, doubtful that his convergence plan will move them toward the Quartet principles, however.

10. (C) The reality is that Olmert has given up on the negotiating track and is unlikely to reassess this view without an unexpected emergence of a credible Palestinian partner or the precipitate fall of a Hamas government. Israeli political pundits have noted that only Hamas has the organization and power to seriously negotiate with Israel, but such conjecture is moot as long as Hamas fails to recognize Israel and change its unacceptable policy on terrorism. The international community's desire to work through Abbas and the president's office to bypass, isolate, and weaken Hamas has already been rejected by the current Israeli Cabinet. Olmert's argument is that Abbas is not a viable partner, which leaves -- in his mind -- unilateral moves as the only way forward.

11. (C) While Labor's presence in the new government may temper his views, we doubt the change will be sufficient to allow negotiations without strong outside encouragement. The UN and the Europeans will also be key partners as the new Israeli policy evolves. There will be issues left from convergence that will require international understandings, at a minimum in the face of a continuing lack of a viable and empowered Palestinian partner. While the U.S. will remain critical to their plans, the Israelis recognize that they will need other partners as well if they are to gain international acquiescence to this bold endeavor.

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JONES